

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2000-0088-C - ORDER NO. 2000-0452

MAY 25, 2000

IN RE: Application of IDT America, Corporation For)	ORDER
Approval of A Transaction Whereby IDT)	APPROVING
America, Corporation Will Acquire Selected)	TRANSFER OF
Customers of MCI WorldCom)	CUSTOMERS
Communications, Incorporated)	

This matter comes before the Public Service Commission of South Carolina (the "Commission") on the application of IDT America, Corporation ("IDT America" or the "Applicant") pursuant to S.C. Code Ann. Section 58-9-310 (Supp. 1999) for approval of a transaction whereby IDT America will acquire selected customers of MCI WorldCom Communications, Inc. ("MCIW"). IDT America requests permission to transfer these MCIW customers to its customer base and a waiver of the applicable subscriber authorization and verification requirements for the change of customers' primary interexchange carrier, as found in Docket No. 94-559-C, Order No. 95-658. IDT America was granted authority to operate as an interexchange telecommunications carrier by the South Carolina Public Service Commission (the "Commission") pursuant to Order No. 1995-19 in Docket No. 1994-398-C (January 9, 1995).

Pursuant to the Commission's Executive Director's instructions, the Applicant published a Notice of Filing in newspapers of general circulation one time. The Notice of Filing informed the public of a method of participation in the proceedings herein. No Protests or Petitions to Intervene were received. Accordingly, the Applicants have moved for expedited review of this

matter, and have furnished the verified testimony of James Courter, President of IDT America in support of the Application.

S.C. Code Ann. Section 58-9-310 (Supp. 1999) requires notice and “due hearing” before the Commission may approve the transfer of the assets of telephone companies from one carrier to another. When there have been no Protests or Petitions to Intervene, we have often granted Motions for Expedited Review, when they are accompanied by verified testimony. We then declare the Commission meeting where the matter was considered to be the “due hearing” required by the statute.

We grant the Motion for Expedited Review and hold that the Commission meeting of May 2, 2000, wherein the matter was considered by the Commission to be the “due hearing” required by the statute. We have examined the verified testimony of James Courter, President of IDT America and find that it supports the reasoning and ultimate request found in the original Application.

The purpose of Courter’s testimony is to support the Application of IDT America for approval of a transaction whereby selected long distance customers of MCIW will be transferred to IDT America and to testify as to the public interest benefits of the proposed transaction. In his position as President, Courter is responsible for overseeing IDT America’s telecommunications operations including its provision of interexchange services in South Carolina. IDT America was granted certification to provide long distance services in South Carolina pursuant to Order No. 95-19 in Docket No. 94-398-C.

According to the prefiled testimony, the agreement made between IDT America and MCIW to transfer certain customers to IDT arose after the two companies decided to discontinue

a Rebiller Services Agreement entered into by both parties in 1994. Under this Rebiller Services Agreement, IDT America served as the marketing agent for certain “1+” telecommunications services provided by MCIW, while MCIW served as the carrier. According to the verified testimony, customers who received services under this arrangement maintained a close connection with IDT America and its marketing program. Upon discontinuance of the Rebiller Services Agreement, MCIW and IDT America agreed that IDT America will become the carrier for the services provided to the customers MCIW obtained through the Rebiller Services Agreement.

Mr. Courter also explained how MCIW customers will be notified of the proposed transaction. Prior to the transfer of the 310 customers, IDT America will provide notice to the 310 affected customers regarding the changes in their interexchange service provider. The letter sent to the affected customers will contain the following provisions: (1) the quality of service to the customers will remain the same and IDT America will continue to provide service to the customers under the same terms and conditions as currently provided to them by MCIW; (2) the customers have the right to switch to the interexchange carrier of their choice; (3) IDT America will reimburse customers for any primary interexchange carrier (“PIC”) change charges if imposed by local exchange carriers (“LECs”) in connection with this transaction; and (4) the customers may contact IDT America via a toll-free number with any questions regarding the transfer of their service. IDT will send another letter containing the previously-mentioned provisions after consummation of the transfer.

IDT America intends to transfer approximately 310 customers in South Carolina from MCIW to IDT America. As IDT America already has authority to provide interexchange

telecommunications services in South Carolina, IDT America will provide its long distance services to the 310 transferred customers after receiving permission from the Commission. The testimony also reveals IDT America will amend its tariff to include the applicable services and rates for these customers.

The record also reveals how the transfer of MCIW customers will affect the public interest. According to the verified testimony, the transfer of MCIW customers to IDT America will neither disrupt the service nor cause inconvenience or confusion to MCIW's customers. In addition, the proposed transaction will have no effect on the operation of IDT America as IDT America will continue to provide intrastate telecommunications services to customers pursuant to its existing South Carolina authorization. Further, the verified testimony reveals the Commission's approval of the transaction will serve the public interest by allowing customers who are already familiar with IDT America to continue their relationship with the Applicant and allow IDT America to serve as their interexchange carrier. The public interest is further served by this transaction because in the event that the transferred customers are interested in receiving long distance services from an alternate carrier, IDT America's notification provided to the customers will clearly advise them of their rights to make such a selection. Finally, it appears from the testimony that the transaction is in the public interest.

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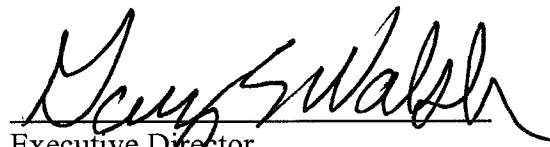
Accordingly, we have examined the testimony and record of this case, and hereby approve the proposed transaction, for the reasons stated above. We find the transfer of selected MCIW customers to IDT America to be in the public interest.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)